

Exhibit 16-5  
Rural Housing and Economic Development (RHED) Program

6509.2 REV-5

<b>Guide for Review of RHED Cost Allowability</b>			
<b>Name of Program Participant:</b>			
<b>Grant Number(s):</b>		<b>NOFA Date(s):</b>	
<b>Date of Executed Grant Agreement(s):</b>		<b>Date of Any Amendment(s):</b>	
<b>Date Funds Obligated:</b>			
<b>Staff Consulted:</b>			
<b>Name(s) of Reviewer(s):</b>		<b>Date:</b>	

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, approved application, contract or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "finding."

**Instructions:** This Exhibit is designed to evaluate the RHED program participant's compliance with the cost allowability requirements of OMB Circular A-122 (Cost Principles for Non-Profit Organizations) or OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments, depending on the type of entity being monitored (as identified in the "Type of Applicant" section of the SF-424 Form). Follow the sample guidance in section 16-3 of the introduction to this Chapter in selecting transactions to review.

**Questions:**

1.

Are the RHED draw down expenditures through the Line of Credit Control System (LOCCs) for the sample reviewed supported by proper documentation? (If "no," describe in response below the expenditures not properly documented, including the dollar value.) [Grant Agreement, Article I, Sections D and E, Article III, and Article IV]	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>Describe Basis for Conclusion:</b> <div style="height: 50px; border: 1px solid black;"></div>	

2.

Does the sample review of RHED project expenditures demonstrate the existence of any unallowable entertainment costs as itemized in OMB Circular A-87, Attachment D? [Grant Agreement, Article I, Sections D and E, Article III, and Article IV]	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

3.

Does the review of RHED project expenditures demonstrate the existence of any unallowable contributions and donations costs as itemized in OMB Circular A-87, Attachment D? [Grant Agreement, Article I, Sections D and E, Article III, and Article IV]	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

4.

Does the review of RHED project expenditures demonstrate the existence of any unallowable fines and penalties costs as itemized in OMB Circular A-87, Attachment D? [Grant Agreement, Article I, Sections D and E, Article III, and Article IV]	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

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5.

<p>Does the review of RHED project expenditures demonstrate the existence of any unallowable general governmental expenditure including salary and expenses of the Chief Executive Officer of the RHED program participant costs as itemized in OMB Circular A-87, Attachment D?</p> <p>[Grant Agreement, Article I, Sections D and E, Article III, and Article IV]</p>	<div style="display: flex; justify-content: space-around;"><div><input type="checkbox"/> <b>Yes</b></div><div><input type="checkbox"/> <b>No</b></div></div>
<p><b>Describe Basis for Conclusion:</b></p> <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>	

6.

<p>For the period reviewed, have RHED planning and administrative costs subject to the 15 percent limitation been properly classified as stated in the applicable NOFA?</p> <p>[Grant Agreement, Article I, Sections D and E, Article III, and Article IV]</p>	<div style="display: flex; justify-content: space-around;"><div><input type="checkbox"/> <b>Yes</b></div><div><input type="checkbox"/> <b>No</b></div></div>
<p><b>Describe Basis for Conclusion:</b></p> <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>	